

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

**PML NORTH AMERICA,
L.L.C.,**

Plaintiff,

CIVIL ACTION NO. 06-CV-14447-DT

VS.

DISTRICT JUDGE JULIAN ABELE COOK, JR.

**WORLD WIDE PERSONNEL
SERVS. OF VIRGINIA, INC.,
et al.,**

Defendants.

MAGISTRATE JUDGE MONA K. MAJZOUB

**OPINION AND ORDER DENYING WITHOUT PREJUDICE PLAINTIFF'S MOTION
FOR PROTECTIVE ORDER**

This matter comes before the Court on Plaintiff's Motion for Protective Order filed on April 13, 2007. (Docket no. 22). Defendants have filed a Response brief. (Docket no. 25). The motion has been referred to the undersigned for decision pursuant to 28 U.S.C. § 636(b)(1)(A). (Docket no. 26). The Court heard oral argument on the motion on May 16, 2007. The motion is now ready for ruling.

Plaintiff PML is a provider of business services such as payroll processing and benefits administration. It alleges that it contracted to provide workers' compensation insurance coverage to Defendants but that Defendants have failed to pay PML as promised under the parties' agreement. Plaintiff raises claims of breach of contract and unjust enrichment. Defendants have asserted cross-claims for an accounting and for breach of fiduciary duty and contend that the contracts at issue are void.

The parties disagree on whether a confidentiality agreement is necessary before the disclosure of what Plaintiff contends is confidential financial information. There is not a pending discovery request for such information. Plaintiff seeks such a confidentiality agreement before fully complying with the initial disclosure requirements of Fed. R. Civ. P. 26(a). Plaintiff conceded during the May 16

hearing that it had not provided either copies of or descriptions of all documents and other tangible things that it may use to support its claims or defenses, as Rule 26(a)(1)(B) requires. Rather, Plaintiff argued that it was awaiting Defendants' agreement to a confidentiality order which would shield the withheld information. When Defendant refused to agree to such an order, Plaintiff filed this motion.

Rule 26(c), Fed. R. Civ. P., allows the Court to enter a protective order "for good cause shown" to protect a party by requiring that confidential material not be revealed or be revealed only in a designated way. When a business seeks protection of confidential information, it must show that disclosure would cause significant harm to its competitive and financial position. *See Waelde v. Merck, Sharp & Dohme*, 94 F.R.D. 27, 28 (E.D. Mich. 1981); *see also Easton Sports, Inc. v. Warrior Lacrosse, Inc.*, 2006 WL 2708550 at *2 (E.D. Mich. Sept. 20, 2006). Such a showing requires specific demonstrations of fact, supported by affidavits and concrete examples. *Easton Sports, Inc.*, 2006 WL 2708550.

Plaintiff has failed to properly support its motion. It makes only broad and conclusory allegations of potential harm, unsupported by affidavits, which are not sufficient to grant its motion. *Id.* In addition, the motion is premature because Plaintiff has not properly made its initial disclosures pursuant to Rule 26(a). Accordingly, Plaintiff's motion will be denied. However, the denial is without prejudice. Plaintiff will be ordered to revise its initial disclosures in accord with Rule 26(a) on or before May 30, 2007. In addition, on or before May 30 Plaintiff will revise its proposed protective order to address the concerns raised during the May 16 hearing. Defendants' counsel will then review Plaintiff's revised disclosures and the parties will attempt to agree on the need for and form of a protective order. If the parties cannot agree, Plaintiff may again ask the Court to enter a protective order. Any such motion must be filed on or before June 11, 2007.

IT IS THEREFORE ORDERED that Plaintiff's Motion for a Protective Order (docket no. 22) is **DENIED WITHOUT PREJUDICE**.

IT IS FURTHER ORDERED that on or before May 30, 2007 Plaintiff is to revise its initial disclosures in accord with Fed. R. Civ. P. 26(a) and revise its proposed protective order to address the concerns raised during the May 16, 2007 hearing.

NOTICE TO THE PARTIES

Pursuant to Fed. R. Civ. P. 72(a), the parties have a period of ten days from the date of this Order within which to file any written appeal to the District Judge as may be permissible under 28 U.S.C. 636(b)(1).

Dated: May 21, 2007

s/ Mona K. Majzoub
MONA K. MAJZOUB
UNITED STATES MAGISTRATE JUDGE

PROOF OF SERVICE

I hereby certify that a copy of this Opinion and Order was served upon Counsel of Record on this date.

Date: May 21, 2007

s/ Lisa C. Bartlett
Courtroom Deputy